

HOUSE BILL 942  
By Jones S

AN ACT to amend Tennessee Code Annotated, Section 56-7-1110, relative to insurance coverage or collision damages waivers for rental cars.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-1110, is amended by deleting the section in its entirety and by substituting instead the following language:

(a) Any rental car company, offering for sale insurance coverage or collision damage waivers under corporate or commercial rental contracts, shall state clearly on the front page of the rental contract that the purchaser of the insurance coverage or collision damage waiver offered may be covered for such claims on the purchaser's personal motor vehicle insurance policy, and that if such insurance coverage exists under the renter's personal insurance policy, and the coverage is confirmed, the renter may require the rental car company to submit any claims to the renter's personal insurance carrier as the renter's agent. The rental car company shall not make any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier. As used in this section, "confirmation of coverage" includes telephone confirmation from an insurance company representative.

(b) For consumer rental contracts, if the rental car company offers for sale insurance coverage or collision damage in lieu of coverage under the renter's personal motor vehicle insurance coverage, the insurance offered by the rental car company must include complete property and collision damage coverage generally offered by private insurers. Any waiver signed by the renter relative to obtaining such coverage offered by the rental car company, shall be clearly explained so that the renter understands that the conditions and limitations under the renter's personal motor vehicle insurance coverage shall apply to the rental vehicle, including the payment to the rental car company of any deductible required under the renter's personal motor vehicle insurance policy for any damage to the rental vehicle. The waiver signed by the renter shall state clearly on the front page of the rental contract that:

(1) "confirmation of coverage" may be required by the rental car company;

(2) claims for any damage to the rental vehicle shall be filed against the renter's personal motor vehicle insurance policy; and

(3) the renter may require the rental car company to submit any claims to the renter's personal insurance carrier as the renter's agent.

The rental car company shall not make any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier. As used in this section, "confirmation of coverage" includes telephone confirmation from an insurance company representative.

SECTION 2. This act shall take effect July 1, 2003, the public welfare requiring it.